

CGB-CC-0176

Received & Inspected

MAY 04 2012

FCC Mail Room

May 3, 2012

Federal Communications Commission
Washing, DC 20554

Re: Calvary Chapel of Tucson, Inc.

To Whom It May Concern:

Enclosed please find the documentation you have requested, including original copies of our petition for close captioning hardship waiver.

Please note that per the enclosed financial information, it is very apparent that this requirement would be a huge financial detriment to the Church and would affect the Church's ability to financially function going forward.

If you have any questions or concerns, please contact me.

Very truly yours,


Bob Deyoe

January 3, 2012

Received & Inspected

JAN 23 2012

FCC Mail Room

Office of the Secretary
Federal communications Commission
Attention: Disability Rights Office, Room 3-B431
445 12th Street, SW
Washington, DC 20554

Dear Sir or Madam,

This letter is to petition for the exemption of closed captioning requirements for "Practical Christian Living", a weekly televised service produced by Calvary Chapel of Tucson, a non-profit, non-denominational Christian church in Tucson, Arizona.

Providing closed captions on this video programming would result in a significant difficulty and expense due to the nature and costs associated with closed captioning. Financial resources for Calvary Chapel Tucson are based in tithes and donations, as the organization is a not-for-profit, and as such has limited funds available for programing. Having to provide closed captioning would impact Calvary Chapel Tucson's ability to provide the programing that is a vital outreach to its community and congregants who would otherwise be unable to view or attend services.

Calvary Chapel Tucson has obtained information from service providers about the costs of captioning our specific programing. Costs average \$12 per minute of programming. "Practical Christian Living" is a 28 minute program that would average a cost of \$17, 472 per year of captioning for weekly programming. The average cost of captioning the program far exceed Calvary Chapel Tucson's financial ability to provide.

Calvary Chapel Tucson has contacted their video programming distributors and no assistance is available.

Calvary Chapel Tucson has asked for donations and sponsorships to provide for the captioning of it's program, "Practical Christian Living", from it's congregants, staff and members through announcements, publications, and appeal. No additional funding has been received from these requests as of the date of this letter.

As a provider of community resource and ministry to thousands of people in the metro Tucson area, it is vital that Calvary Chapel Tucson be able to continue providing the quality programming of it's services through "Practical Christian Living" to the many thousands more who would otherwise be unable to participate due to their inability to attend services for physical, logistical, or other reasons. The costs associated with closed captioning would prevent such service.

CALVARY CHAPEL OF TUCSON, INC.
Financial Statements
December 31, 2010

Received & Inspected

MAY 04 2012

FCC Mail Room

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Steven A. Phillips

Certified Public Accountant

7457 E. Broadway • Tucson, AZ 85710

(520) 733-3355 • Fax (520) 733-3312

Board of Directors
Calvary Chapel of Tucson, Inc.
Tucson, Arizona

Accountant's Report

I have reviewed the accompanying unaudited balance sheet of Calvary Chapel of Tucson, Inc. (an Arizona non-profit corporation) as of December 31, 2010, and the related statement of operations and change in net assets and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Calvary Chapel of Tucson, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

I am not independent of Calvary Chapel of Tucson, Inc.

 CPA

 CPA

Steven A. Phillips, CPA
Tucson, Arizona
August 29, 2011

CALVARY CHAPEL OF TUCSON, INC.
BALANCE SHEET
DECEMBER 31, 2010
(Unaudited)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$134,833	
Inventory	<u>125,000</u>	
Total current assets		\$259,833

BUILDINGS, PROPERTY AND EQUIPMENT, AT COST
NET OF ACCUMULATED DEPRECIATION OF \$2,521,253

11,173,693

TOTAL ASSETS

\$11,433,526

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	<u>\$0</u>	
Total current liabilities		\$0

LONG TERM LIABILITIES

Notes payable	<u>10,359,648</u>	
Total long term liabilities		<u>10,359,648</u>
Total liabilities		10,359,648

NET ASSETS

Unrestricted fund	1,350,764	
Current year net decrease to net assets	<u>(276,886)</u>	
Total net assets		<u>1,073,878</u>

TOTAL LIABILITIES AND NET ASSETS

\$11,433,526

These financial statements should be read only in connection with the accompanying accountant's report, summary of significant accounting policies, and notes to financial statements.

CALVARY CHAPEL OF TUCSON, INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

	<u>YEAR TO DATE</u>	<u>PERCENT OF REVENUES</u>
REVENUES		
Contributions	\$3,605,380	83.81%
Tuition and other school income	534,548	12.43
Bookstore	161,709	3.76
Total revenues received	<u>4,301,637</u>	<u>100.00</u>
 COST OF REVENUES		
Bookstore purchases and operating costs	<u>(152,783)</u>	<u>(3.55)</u>
Revenues received over cost of revenues paid	4,148,854	96.45
 TOTAL OPERATING EXPENSES PAID	<u>(3,778,514)</u>	<u>(87.84)</u>
Revenues received over expenses paid	<u>370,340</u>	<u>8.61</u>
 OTHER INCOME (EXPENSE)		
Interest income	3	0.00
Interest expense	<u>(647,229)</u>	<u>(15.05)</u>
Total other income (expense) paid	<u>(647,226)</u>	<u>(15.05)</u>
 NET DECREASE TO NET ASSETS	(276,886)	<u><u>-6.44%</u></u>
 NET ASSETS, BEGINNING OF YEAR	<u>1,350,764</u>	
 NET ASSETS, END OF YEAR	<u><u>\$1,073,878</u></u>	

These financial statements should be read only in connection with the accompanying accountant's report, summary of significant accounting policies, and notes to financial statements.

CALVARY CHAPEL OF TUCSON, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 2010
(Unaudited)

Cash flows from operating activities

Net decrease to net assets	(276,886)
Depreciation and amortization	360,879
Changes in operating assets and liabilities:	0
Net cash provided by (used by) operating activities	<u>83,993</u>

Cash flows from financing activities

Proceeds from notes payable, net of principal payments repaid	<u>705,036</u>
Net cash provided by financing activities	<u>705,036</u>

Cash flows from investing activities

Purchase of assets, net of disposals	<u>(1,056,272)</u>
Net cash (used by) investing activities	<u>(1,056,272)</u>

Net increase (decrease) in cash and cash equivalents	(267,243)
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Cash and cash equivalents, beginning of year	<u>402,076</u>
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Cash and cash equivalents, end of year	<u><u>\$134,833</u></u>
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SUPPLEMENTAL DISCLOSURE OF INTEREST PAID

Cash paid for interest was \$496,567 in 2009.

These financial statements should be read only in connection with the accompanying accountant's report, summary of significant accounting policies, and notes to financial statements.

CALVARY CHAPEL OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - NATURE OF OPERATIONS

Calvary Chapel of Tucson, Inc. was formed in 1986 in Tucson, Arizona. Calvary Chapel's principal business activity is to provide a fellowship of believers in the Lordship of Jesus Christ. They are not a denominational church, nor are they opposed to denominations, as such. They are opposed only to the emphasis of non-biblical teachings that divide the Body of Christ.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE AND COST RECOGNITION

Revenues and costs are recognized on the accrual method of accounting.

CASH AND CASH EQUIVALENTS

Calvary Chapel of Tucson considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

CALVARY CHAPEL OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

PROPERTY AND DEPRECIATION

Property and equipment are stated at cost. Depreciation is computed by using the straight-line method based on the estimated useful lives of the assets. Depreciation expense includes amounts expensed in the current year. Estimated useful lives are as follows:

Computer and office equipment	5 - 7 Years
Furniture, fixtures and equipment	5-10 Years
Buildings and leasehold improvements	31-39 Years

INCOME TAXES

No income tax provision has been included in the financial statements. Calvary Chapel of Tucson is a non-profit corporation recognized under section 501(c)(3) of the Internal Revenue Code.

ADVERTISING

Calvary Chapel of Tucson's policy is to expense all advertising costs as incurred.

NOTE 3 - PROPERTY AND EQUIPMENT:

At December 31, 2010, property and equipment consisted of the following:

Property and equipment	\$ 13,694,946
Less accumulated depreciation and amortization	<u>2,521,253</u>
Furniture and equipment, net	<u>\$ 11,173,693</u>

Depreciation and amortization expense for the year ended December 31, 2010 was \$360,879.

CALVARY CHAPEL OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 4 – COMMITMENTS

NOTES PAYABLE

The Church has two notes payable to lending institutions. The real estate property loan is a 6.02% note that currently requires interest only monthly payments. The Church has a credit card payable balance of \$52,200 to American Express. It is a non-interest bearing account payable in \$10,000 monthly payments and as of the report date, has been paid off. The Church has a note payable to Concord Construction. It is a non-interest bearing note with a balance of \$28,263.

Future required minimum note payments are as follows:

December 31, 2011, and thereafter (principal portion only)	\$10,359,648
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The Church currently rents office space under a full service lease for \$3,185 per month. It is a three year lease that began in March 2010.

These notes are an integral part of the financial statements.

SUPPLEMENTAL INFORMATION

CALVARY CHAPEL OF TUCSON, INC.
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

	<u>YEAR TO DATE</u>	<u>PERCENT OF REVENUES</u>
Salaries, related taxes and costs	\$1,349,377	31.37%
Employee benefits and insurance	261,272	6.07
Guest ministries	6,153	0.14
Worship team	1,530	0.04
Inreach ministries	73,268	1.70
Children's ministries	28,209	0.66
Youthquest ministries	82,456	1.92
School costs	578,695	13.45
Retreats and conference costs	111,002	2.58
Benevolence	63,851	1.48
Funeral and wedding costs	3,498	0.08
Outreach ministries, television and radio costs	180,328	4.19
Special events	15,916	0.37
Missions ministries	39,968	0.93
Miscellaneous and other ministries	53,311	1.24
Coffee shop operating costs	91,091	2.12
Spanish church ministries	21,824	0.51
Advertising, marketing and promotion	8,704	0.20
Bank charges	7,519	0.17
Cleaning and janitorial costs	23,101	0.54
Common area costs, repairs and maintenance	45,155	1.05
Computer, copier and leased equipment costs	34,741	0.81
Depreciation and amortization	360,879	8.39
Insurance	57,103	1.33
Licenses and fees	1,778	0.04
Office supplies, postage and printing	23,693	0.55
Professional fees and outside services	31,238	0.73
Rent	36,250	0.84
Sanctuary supplies	3,020	0.07
Security	7,526	0.17
Storage	4,374	0.10
Telephone	14,340	0.33
Travel, mileage and vehicle costs	1,798	0.04
Utilities	155,546	3.62
TOTAL OPERATING EXPENSES	<u><u>\$3,778,514</u></u>	<u><u>87.84%</u></u>

These financial statements should be read only in connection with the accompanying accountant's report, summary of significant accounting policies, and notes to financial statements.